

BALANCING COMPETING INTERESTS WHEN DEALING WITH POWERFUL PRESSURE GROUPS

A Case Study

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At the time of preparing this paper, the environmental issue to be detailed and the related protests are still very active. The initial warning shot by environmental groups was fired across our bow around November 1996 and since then a chess-like contest has unfolded, with Kimberly-Clark clearly the intended pawn in a strategy to checkmate the Victorian Government and stop all logging in the Otways Ranges.

On one hand a lot of moves with protests, threats, product boycotts, inconveniencing shoppers and shop owners and failed attempts to gain media attention for a protest based on mere opinion.

The counter moves by Kimberly-Clark Australia have been executed in a non-confrontational mode aimed at diffusing the misinformation and to potentially achieve some resolution to the problem. To quote Mark Twain, "Thunder is good, thunder is impressive; but it is the lightning that does the work".

So much for the philosophical overview and onto the specifics which, to be meaningful, necessitates an explanation of the contentious issue.

For the last 150 years there has been logging in the Otways Ranges in Victoria, and the sole purpose of such activity is to extract sawlog timber which is basically used for home construction.

The Victorian Government manages the logging under a Forest Management Plan which runs from 1992-2002 and was developed after some five years of consultation and 486 submissions (including conservation groups). Under this plan only 0.2% of the Otways Forests can be harvested in a given year and importantly a regeneration program operates with an initial 90% success rate and where the first reseedling fails it is repeated the next season.

Part of the sawlog-driven industry in the Otways is to also manage the sale or disposal of "defective" logs that have too many cracks and/or knots. The options are to leave such material to rot or be burnt on the forest floor. A more sensible alternative is to locate customers that can add value to the material and in so doing help Australian employment and the balance of payments by replacing \$20 million of previously imported pulp. Kimberly-Clark Australia since 1992 has taken a percentage of the defective or residual logs.

"The first casualty when war comes is truth." Hiram Johnson

To protest about logging in the Otways Ranges an environmental movement from the local region, assisted by a national environmental group, decided to target Kimberly-Clark Australia. The green rhetoric being promoted is that KCA is driving the logging operations and destroying the forest for future generations, killing animals, poisoning local water supplies and jeopardising the tourism trade in the region.

As KCA only takes "defective" material and sawmill residues the environmentalists are suggesting this industry is unique as it supposedly survives by making the equivalent of seconds.

The Otways logging industry has operated for 150 years whereas KCA has only been a customer of the Victorian Government for the last five years so common logic suggests KCA cannot be the driver.

In the past, before defective material was purchased and converted into toilet tissue, it was unwanted and burnt. This also didn't satisfy the environmental groups, nor did woodchipping the material for export.

In the year 2000 KCA will also shift its sourcing of eucalypt material to the Mt Gambier region, utilising 4.5 million plantation trees established over the last ten years for our purpose by private growers. This offers considerable cost benefits with our production plants also in Mt Gambier plus a guaranteed local supply devoid of world pulp price fluctuations.

The important point is that when KCA shifts sourcing in 2000 the defective Otways material will still be generated by sawlog operations but will be burnt or left to rot unless another value-adding customer can be identified.

Despite the history of logging and successful regeneration over 150 years plus facts from the government forestry experts, a scare campaign has been waged since late 1996 to convince the community KCA is raping the forests with scant regard for future generations.

Competing Interests

Hopefully by now my background setting has crystallised the "real" agenda of the environmentalists which is not really KLEENEX® brand products or Kimberly-Clark activity but a continuation of their 10 year struggle to have not one Otways tree logged. The evidence of well managed sustainable forestry is of no interest in their emotive driven push which to date has failed miserably.

Basically, a high profile brand offers the potential community exposure for their protests in preference to yet again taking on the government.

Apart from the initial major players in the early stages of this saga, there are more people dragged into the scene as the phases of the protest unfold.

Consumers, supermarket managers, government officials, print and visual media, KCA employees, university students, environmental groups, hotel management and some of our competitors progressively get involved, some enthusiastically and others reluctantly.

Dealing with the Conflict

The first choice to make was to either remain passive or go on the attack. Predictably, no one answer was consistently correct as it always becomes a matter of timing and staying with your own strategy without being swayed into kneejerk reactions.

Aggressive responses about action by environmentalists are very tempting but can play right into their hands by creating a media interest that would otherwise have dissipated.

A constant proactive approach that works to influence government, the community and customers can be managed without media sensationalism. So it is not a question of taking a backward step and indeed, we would recommend to go ever forward but on a path you choose.

If you are not going forward you are going backwards is an old adage that holds true in this scenario as playing dead allows a free reign to minority groups.

Possibly the best way to illustrate our game plan is to detail the sequential activities by the environmentalists and the KCA action to nullify their moves when we strategically chose to participate.

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Forest protests

KCA visited Otways to gather facts from loggers and government. Also equipped Corporate Affairs Manager with first hand knowledge for referencing should media interest develop.

Steady flow of protest calls to KCA every day.

KCA responds to every call or letter and invites callers to forward scientific support for their claims - none arrives.

Regional print media runs green biased story attacking KCA as driving logging industry. No comments sought by KCA until after four such articles published.

KCA research uncovers high probability that any response to media will be detuned and poorly represented. Instead of playing Russian Roulette with regional media handling of the KCA response it was strategically decided to take out full page advertisements. In this way the facts cannot be manipulated or media regulatory pressures can be invoked.

Interestingly, the calls to KCA dropped immediately to a trickle after the full page advertisements were run.

Protest leaflets handed to bushwalkers and community via few stores in region.

KCA develop fact sheet that includes a Q&A on common issues. Also requests government develop official Otways information in one page format in lieu of existing 13 page educational piece.

Supermarket products stickered with label "Don't wipe your bum on the Otways, don't buy KLEENEX".

KCA sales team remove stickers with supermarket staff support. Some packs damaged and replaced. A larger KLEENEX® sticker printed and merely over-labelled whenever green protest sticker appears.

Regional radio interviews give protesters a voice.

KCA not invited to comment and research suggests those stations unlikely to give balanced report so no attempt to get on air.

University students buy into issue and calls made to KCA.

KCA discusses/debates with each caller and sends government information to reinforce that Otways forest is not KCA managed. The

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	mantra is basic as it puts government as owners/managers of sawlog activity and KCA as an approved customer for defective material.
University representative calls KCA to ask if environmentalists' proposal for alternate sourcing by KCA would be considered and get a response.	KCA agreed to receive with proviso the proposal has substance not just a "wish list". On reflection, KCA contacts Uni representative and makes counter offer of round table with senior government officials, KCA and protesters. No agreement to attend but commitment to respond in one week.
University students and other protesters arrive at KCA sales office. Graffiti placed on building and one television news team in attendance.	KCA staff advised to keep office closed with blinds drawn and no interaction with protesters. Environmental group spokesperson calls KCA Corporate Affairs Manager to express disappointment that "80-100 protesters in attendance plus media but no one from KCA. It doesn't look good for KCA," he suggests. Demonstrators pack up and leave after one hour due to lack of KCA target to abuse. The protest is one-sided story (without anticipated confrontation) and fails to get on air.
Melbourne hotels called and sent green rhetoric to encourage brand change.	KCA called by hotels and discussion plus subsequent literature and sales force visit retain accounts.
University Purchasing pressured to drop KLEENEX® brand products.	KCA contacted and government printed material plus company developed Q&A sent to refute claims. University Purchasing encouraged to seek scientific studies from students as means to flush out misinformation. No accounts lost to date.
After 3 follow-up invitations to round table discussion the environmentalists finally respond. They opt not to participate and launch media release claiming boycott of	KCA send Letter to Editor to regional newspapers. Importantly, the content is formatted so that it assumes extracts only to be used. Also government contacted and agreement reached that as a valued customer of theirs they will provide a media release setting

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meeting and wild claims attacking KCA. No mention of government in the 2 page release.

Protest organisers forecast ongoing calls for brand boycotts.

the record straight on the Otways. Once again, this reinforces their ownership and influence on the logging and KCA's role as one user of the residual (defective) logs.

KCA writes University person representing all the environmental groups and requests that as they declined meeting they may care to submit written proposal for consideration. As yet, no proposal received and may never materialise but also positions KCA as acting in good faith as a level-headed "ready to discuss" company. It also illuminates that the protesters are unreasonable, not prepared to meet government on a questionable campaign to attack a brand.

"People who fly into a rage always make a bad landing." Will Rogers

The above quotation is a good lesson when applied to the long list of protest events. Timing and strength of responses and/or initiatives by a company must be generated by strategic importance not merely to satisfy some retaliation urge which is a short-term feel-good fix but ultimately detracts from achieving your objective.

Our objective was and remains the protection of our brands, our corporate image and shareholders' interests whilst retaining our environmentally sensitive reputation.

To date, no significant business has been lost but we are not complacent and the opportunity to reach some resolution to the issue is our preferred option.

A survey of some major companies in Europe about crisis management was conducted and the results suggested that "90% of companies believed business and pressure groups can find mutual environmental solutions".

Until facts replace emotive environmental rhetoric, a survey of Australian manufacturing would likely rate nowhere near the optimism of our European counterparts.